



## Southern California Association of Non-Profit Housing

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Office of the Fiscal Assistant Secretary  
U.S. Department of Treasury, Rm 2112  
1500 Pennsylvania Avenue, N.W.  
Washington D.C. 20220

To Whom it May Concern:

I am writing on behalf of the Southern California Association of Non-Profit Housing (SCANPH) to urge the Treasury to prohibit check cashers and other "payment service providers" from providing recipients access to electronic federal benefits, as part of EFT'99. Check cashers prey upon low-income consumers and deny their customers the consumer protections provided at mainstream financial institutions.

SCANPH is a membership organization that represents over 550 organizations, developers, lenders, agencies and others who are involved in the creation and preservation of affordable housing in Southern California. Many of our members' tenants will be affected by electronic benefits and would be better served if check cashers are prohibited from providing electronic benefits.

Treasury began EFT'99 with the goal of bringing the unbanked into the financial mainstream. Allowing check cashers to be the access point for federal benefits recipients to receive their funds, however, does exactly the opposite. Check cashers force consumers to pay excessive fees for transactions that should be available to them at a reasonable cost. Also, by allowing check cashers to provide access to federal funds, Treasury will not only condone but stimulate the abusive practices of check cashers.

It is time Treasury made EFT'99 a program that truly represents consumers and ensures that low-income recipients are not relegated to a position outside of the financial mainstream. Please prohibit arrangements wherein recipients of electronic federal payments gain access to benefits through non-depository payment service providers.

Sincerely,

Jan Breidenbach  
Executive Director